



market auctions; and (2) provide adequate time for the NYISO to complete the necessary steps to conduct the capacity market auctions for the upcoming 2026 Summer Capability Period.<sup>4</sup>

## **I. MOTION TO INTERVENE**

The NYISO is the independent body responsible for providing open access transmission service, maintaining reliability, and administering open and competitive wholesale energy markets in New York. The NYISO-administered wholesale markets include New York’s capacity market that is designed to procure sufficient levels of capacity to maintain system resource adequacy. The IRM is a critical input for several fundamental components of the NYISO-administered capacity market, including the minimum capacity procurement requirements for the NYCA, as well as the establishment of LCRs for the G-J Locality, New York City, and Long Island.

The NYISO has a unique interest in this proceeding that cannot be adequately represented by any other entity. Given that the IRM is a fundamental input to the NYISO’s administration of New York’s capacity market, the NYISO is directly affected by the outcome of this proceeding and its participation is in the public interest.<sup>5</sup> Therefore, the NYISO requests that the Commission permit the NYISO to intervene in this proceeding with all rights of a party.

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<sup>4</sup> The NYISO’s processes and procedures to begin preparation for the 2026 Summer Capability Period ICAP auctions commence in January 2026 with the determination of Locational Minimum Installed Capacity Requirements (“LCRs”) and continue into March 2026. The NYISO needs certainty with respect to the IRM that will apply for the 2026-2027 Capability Year to facilitate timely completion of its auction-related administrative duties. The Capability Period Auction for the upcoming summer period is currently scheduled to commence on March 27, 2026.

<sup>5</sup> 18 C.F.R. § 385.214(b)(2)(ii) and (iii).

## II. BACKGROUND

The NYSRC was established and approved by the Commission as part of the restructuring of New York’s electricity market and formation of the NYISO.<sup>6</sup> The NYSRC’s mission is to promote and preserve the reliability of New York’s power grid through the development and maintenance of reliability requirements applicable to the NYISO’s operation of the grid and administration of the wholesale electricity markets. Among its responsibilities, the NYSRC is obligated to annually determine the IRM necessary to meet the established resource adequacy criterion of a system loss of load expectation of no greater than 0.1 loss of load event days per year.

The NYSRC Installed Capacity Subcommittee (“ICS”) is responsible for overseeing an annual study to determine an appropriate IRM value for each Capability Year. The NYISO coordinates with the NYSRC and ICS to assist with the completion of these annual studies. The IRM study, among other considerations, evaluates forecasted demand, supplier performance, transmission capability, and factors such as extreme weather to assess the grid’s ability to maintain reliability.

The IRM value for the 2025-2026 Capability Year is 24.4 percent.<sup>7</sup> On December 5, 2025, following review of the recently completed IRM study and consideration of various factors, the NYSRC Executive Committee adopted an IRM value of 24.5 percent for the 2026-2027 Capability Year.<sup>8</sup> In accordance with Section 3.03 of the New York State Reliability Council Agreement (“NYSRC Agreement”), because the 2026-2027 Capability Year IRM value

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<sup>6</sup> 2026-2027 IRM Filing at 3-4.

<sup>7</sup> Docket No. ER25-801-000, *New York State Reliability Council, L.L.C.*, Revised Installed Capacity Requirement of the New York Control Area for the 2025-2026 Capability Year (December 23, 2024); and Docket No. ER25-801-000, *supra*, Letter Order (February 13, 2025).

<sup>8</sup> 2026-2027 IRM Filing at 2-3 and Attachment C.

approved by the NYSRC Executive Committee represents a change from the currently effective value, the NYSRC is required to obtain Commission approval thereof.<sup>9</sup>

### III. COMMENTS

The NYSRC, with assistance from the NYISO, conducted the required annual study to determine an appropriate IRM value for the 2026-2027 Capability Year. The study was conducted in accordance with the applicable requirements and specifications established by the NYSRC to determine the quantity of capacity required statewide to meet the governing resource adequacy criterion that the probability of an unplanned disconnection of firm load does not exceed one occurrence in ten years.<sup>10</sup> The study results were reviewed by the ICS and documented in a report for review and consideration by the NYSRC Executive Committee.<sup>11</sup>

#### **A. The Commission Should Approve the NYSRC's Proposed 24.5 Percent IRM Value for the 2026-2027 Capability Year**

The base case results of the required technical study identified an IRM value of 25.6 percent for the 2026-2027 Capability Year.<sup>12</sup> Several factors were identified as significant drivers of the identified increase to the IRM compared to the technical study results for the 2025-2026 Capability Year, including modeling enhancements to account for potential winter fuel availability constraints for certain fossil fuel fired generators located in Load Zones F-K, modeling enhancements to represent behind-the-meter solar as a supply-side resource rather than an offset to load, as well as the modeling of the Champlain Hudson Power Express project as a

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<sup>9</sup> 2026-2027 IRM Filing at 3. The currently effective version of the NYSRC Agreement is available at: <https://www.nysrc.org/wp-content/uploads/2023/03/Amended-NYSRC-Agreement-12.29.09.pdf>.

<sup>10</sup> *See, e.g.*, 2026-2027 IRM Filing at 7-8 and Attachment A, pp. 7-9.

<sup>11</sup> *Id.* at Attachments A and B.

<sup>12</sup> *Id.* at 9-11 and Attachment A.

new capacity supply resource providing capacity to Load Zone J and the interactions thereof with the winter fuel availability constraints modeling.<sup>13</sup> The study also identified several factors placing downward pressure on the IRM as compared to technical study results for the 2025-2026 Capability Year, such as a reduction in the quantity of Special Case Resources (“SCRs”) modeled, in part, due to the transition of certain SCRs to the NYISO’s Distributed Energy Resource market participation model.<sup>14</sup> In aggregate, these factors identified the potential for a net increase to the IRM of 1.2 percent compared to the 2025-2026 Capability Year technical study results.<sup>15</sup>

The technical study also included a series of sensitivities and identified other considerations that produced IRM values lower and higher than the base case results.<sup>16</sup> Such additional analysis identified a range of potential IRM values between 18.53 percent and 30.08 percent, depending on the system conditions and other modeling assumptions utilized.<sup>17</sup>

Based on its review of the technical study results and other relevant considerations, the NYSRC Executive Committee adopted a 24.5 percent IRM value for the 2026-2027 Capability Year.<sup>18</sup> The proposed value is within the range of outcomes identified in the technical study and represents a reasonable outcome that is designed to satisfy the applicable resource adequacy criterion. The NYISO respectfully requests that the Commission approve the 24.5 percent IRM value proposed by the NYSRC for the 2026-2027 Capability Year.

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<sup>13</sup> *Id.* at 9-11 and Attachment A, pp. 26-28.

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> *Id.* at 12 and Attachment A, pp. 29-32.

<sup>17</sup> *Id.* at Attachment A, pp. 31-32.

<sup>18</sup> *Id.* at 12 and Attachment C.

## **B. Timely Commission Action is Necessary**

The NYISO supports the NYSRC's request for Commission approval of the proposed 24.5 percent IRM value on or before February 15, 2026.<sup>19</sup> Timely action by the Commission will facilitate the NYISO's ability to complete the necessary activities to administer the upcoming capacity market auctions for the 2026 Summer Capability Period.

The Services Tariff requires the NYISO to conduct the Capability Period Auction for the 2026 Summer Capability Period no later than 30 days prior to May 1, 2026.<sup>20</sup> The NYISO is currently scheduled to begin the Capability Period Auction for the 2026 Summer Capability Period on March 27, 2026. The NYISO typically provides all necessary information to the marketplace related to administration of the capacity market for a particular Capability Period approximately two weeks prior to the conduct of the Capability Period Auction. This includes determination of the LCRs, statewide minimum capacity procurement requirement, minimum capacity procurement requirements for each Load Serving Entity, and Capacity Accreditation Factors.

The IRM value for 2026-2027 Capability Year is required to determine the above-identified components of the NYISO-administered capacity market. Absent prompt Commission action, the NYISO will be unable to timely complete all required actions to properly administer the capacity market for the upcoming 2026 Summer Capability Period.

Commission approval of the proposed 24.5 percent IRM value on or before February 15, 2026 will facilitate the NYISO's ability to timely complete the required activities and provide the marketplace with the requisite data and information in advance of the upcoming Capability

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<sup>19</sup> *Id.* at 2 and 12.

<sup>20</sup> *See* Services Tariff § 2.3 (definition of "Capability Period Auction").

Period Auction for the 2026 Summer Capability Period. Timely provision of relevant data and information will assist market participants in making economically efficient capacity procurement decisions.

**C. The Commission Should Coordinate with the New York State Public Service Commission**

On December 12, 2025, the NYSRC also submitted its proposed IRM value for the 2026-2027 Capability Year to the New York State Public Service Commission (“NYPSC”).<sup>21</sup> The NYISO respectfully suggests that the Commission coordinate its review of the proposed 24.5 percent IRM value with the NYPSC, as necessary, to mitigate the potential for conflicting or contradictory outcomes. To the extent that the Commission and the NYPSC address common questions, the NYISO respectfully requests that the Commission take reasonable measures to ensure that its determination in this proceeding is compatible with any determination made by the NYPSC.

Conflicting determinations by the Commission and the NYPSC could result in unnecessary marketplace confusion and uncertainty regarding the IRM value applicable for the 2026-2027 Capability Year. Such disruptive circumstances would negatively affect the NYISO’s administration of the capacity market and could potentially undermine the reliability of New York’s bulk power system. Such uncertainty would also adversely impact market participants’ determination of economically efficient capacity procurement decisions and their ability to develop reasonable projections as to the expected future value of capacity. The NYISO anticipates that such uncertainty may adversely impact participation and/or the pricing outcomes

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<sup>21</sup> See NYPSC Case 07-E-0088, *In the Matter of the Adoption of an Installed Reserve Margin for the New York Control Area*, New York State Reliability Council Submission of the IRM for the 2026-2027 Capability Year (December 12, 2025).

in upcoming capacity market auctions, including the Capability Period Auction for the 2026 Summer Capability Period. In addition to adversely impacting the NYISO-administered capacity market auctions, any such uncertainty regarding the IRM value for the 2026-2027 Capability Year would likely have similar adverse impacts on bilateral market activity.

To mitigate the potential for such disruptive and detrimental outcomes, the NYISO respectfully urges the Commission to coordinate, as necessary, its review of the NYSRC's proposal in this proceeding with the NYPSC's consideration of the same matter. Such coordination should seek to ensure compatibility of determinations regarding the IRM value applicable for the 2026-2027 Capability Year.

#### **IV. COMMUNICATIONS AND CORRESPONDENCE**

Please direct all communications and service in this proceeding to:

Robert E. Fernandez, Executive Vice President, General Counsel & Chief Compliance Officer

Karen G. Gach, Deputy General Counsel

Stephanie Amann, Senior Manager, Regulatory & Government Affairs

\*Garrett E. Bissell, Assistant General Counsel

New York Independent System Operator, Inc.

10 Krey Boulevard

Rensselaer, New York 12144

Telephone: 518-356-6000

Email: [gbissell@nyiso.com](mailto:gbissell@nyiso.com)

\*Person designated for receipt of service.

#### **V. CONCLUSION**

The NYSRC's proposed IRM value for the 2026-2027 Capability Year is just and reasonable and adequately supported by the results of the technical study relating thereto. The NYISO respectfully requests that the Commission: (1) grant the NYISO's motion to intervene in this proceeding; (2) approve the NYSRC's proposed 24.5 percent IRM value for the 2026-2027 Capability Year on or before February 15, 2026; and (3) coordinate with the NYPSC, as

necessary, to mitigate the potential for inconsistent determinations regarding the IRM value for the 2026-2027 Capability Year.

Respectfully submitted,  
/s/ Garrett E. Bissell  
Garrett E. Bissell, Assistant General Counsel  
New York Independent System Operator, Inc.

Dated: January 9, 2026

cc: Janel Burdick  
Emily Chen  
James Dawson  
Jignasa Gadani  
Leanne Khammal  
Jaime Knepper  
David Morenoff  
Jason Rhee  
Douglas Roe

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding in accordance with the requirements of Rule 2010 of the Rules of Practice and Procedure, 18 C.F.R. §385.2010.

Dated at Rensselaer, NY this 9th day of January 2026.

*/s/ Alexander Morse*

Alexander Morse  
New York Independent System Operator, Inc.  
10 Krey Blvd.  
Rensselaer, NY 12144  
(518) 285-7826